

Index Sheet

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School Year: 2013

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PRCN: 201210327784

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January 17, 2013

Dr. Gary Rhodes
President
J Sargeant Reynolds Community College
1651 East Parham Road
Richmond, VA 23228

UPS Tracking Number
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RE: **Final Program Review Determination**
OPE ID: 00375900
PRCN: 201210327784

Dear Dr. Rhodes:

The U.S. Department of Education's (Department's) Philadelphia School Participation Division issued a program review report on August 23, 2012 covering J Sargeant Reynolds Community College's (JSRCC's) administration of programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2010-2011 and 2011-2012 award years. The institution's final response was received on November 9, 2012.

The Philadelphia School Participation Division has reviewed JSRCC's response(s) to the Program Review Report. A copy of the program review report (and related attachments) and JSRCC's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by JSRCC upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

JSRCC's response has resolved all findings. In addition JSRCC has provided assurances that the appropriate corrective actions have been taken to resolve and prevent future occurrences of all findings. Therefore, JSRCC may consider the program review closed with no further action required.

Appendix A, Student Sample, contains personally identifiable information and will be emailed to JSRCC as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.

Program records relating to the period covered by this program review must be retained until the later of: the resolution of the loan(s), claim(s) or expenditure(s) questioned in the program review [34 C.F.R. § 668.24(e)(3)(i)] or the end of the retention period applicable to the record [34 C.F.R. § 668.24(e)(1) and (e)(2)].

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

School Participation Division – Philadelphia
The Wanamaker Building
100 Penn Square East, Suite 511
Philadelphia, Pa 19107
www.StudentAid.gov

J Sargeant Reynolds Community College
OPE ID Number: 00375900
PRCN Number: 201210327784
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If you have any questions, please call Ms. Deborah Marsh at (215) 656-8640.

Sincerely,

(b)(6); (b)(7)(C); (b)(7)(C)

Nancy Paula Gifford
Division Director

Enclosure: Program Review Report (with attachments)
JSRCC's Response to the Program Review Report

cc: Keisha Pope, Financial Aid Administrator
Southern Association of Colleges and Schools Commission Colleges (SACSCC)
State Council of Higher Education (SCHEV)

Prepared for

**J Sargeant Reynolds
Community College**

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**OPE ID: 00375900
PRCN: 201210327784**

**Prepared by
U.S. Department of Education
Federal Student Aid
School Participation Division - Philadelphia**

Final Program Review Determination January 17, 2013

Federal Student Aid – School Participation Division – Philadelphia
The Wanamaker Building
100 Penn Square East, Suite 511
Philadelphia, PA 19107
www.StudentAid.gov

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A. Institutional Information

J Sargeant Reynolds Community College
1651 East Parham Road
Richmond, Virginia 23228

Type: Public

Highest Level of Offering: Associate's Degree

Accrediting Agency: Southern Association of Colleges and Schools Commission on Colleges

Current Student Enrollment: 13,360 (2011-2012 award year)

% of Students Receiving Title IV, HEA funds: 44.37% (2011-2012 award year)

Title IV, HEA Program Participation

2010-2011 Award Year

Federal Pell Grant (Pell Grant)	\$ 18,943,851
Federal Supplemental Educational Opportunity Grant (SEOG)	\$ 237,636
Federal Work-Study (FWS)	\$ 225,140
William D. Ford Direct Loan (Direct Loan)	\$ 15,862,996

2011-2012 Award Year

Federal Pell Grant (Pell Grant)	\$ 9,808,797.71
Federal Supplemental Educational Opportunity Grant (SEOG)	\$ 134,500.00
Federal Work-Study (FWS)	\$ 130,887.60
William D. Ford Direct Loan (Direct Loan)	\$ 7,762,374.00

Default Rate FFEL/DL: 2009 – 8.2%
2008 – 10.3%
2007 – 9.2 %

No Federal Perkins Loan Program is administered.

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at J Sargeant Reynolds Community College (JSRCC) from December 5, 2011 to February 1, 2012. The review was conducted by Ms. Deborah Marsh and Ms. Shein Dossa.

The focus of the review was to determine SRCC's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of JSRCC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, student account ledgers, and institutional programs pertaining to Gainful Employment (GE).

A sample of 30 files was identified for review from the 2010-2011 and 2011-2012 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review. A program review report was issued on August 23, 2012.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning JSRCC's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve JSRCC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Findings and Final Determinations

Resolved Findings

Finding(s) 1-4 and 6

JSRCC has taken the corrective actions necessary to resolve findings 1-4 and 6 of the program review report. Therefore, these findings may be considered closed. A finding requiring further action by JSRCC is discussed below.

Resolved Finding with Comment

The following program review finding has been resolved by the institution, and may be considered closed. This finding is included solely for the purpose of discussing the resolution of the finding.

The program review report finding requiring further action is summarized below. At the conclusion of each finding is a summary of JSRCC's response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on August 23, 2012 is attached as Appendix B.

Finding #5: Verification Violations

Citation Summary: Federal regulations require that an institution that participates in the Title IV programs to accurately and completely verify certain data elements for applications that have been "selected" by the Central Processing System (CPS). 34 C.F.R. §668.54(a)(1).

An institution must have an applicant selected for verification submit acceptable documentation that will verify or update the information used to determine the applicant's EFC. The documentation to be verified includes: (a) Adjusted gross income and U.S. income tax paid; (b) Number of family members in household; (c) Number of family household members enrolled in postsecondary institutions; and (d) Untaxed income and benefits. 34 C.F.R. § 668.56(a).

Specifically, an institution shall require an applicant selected for verification to verify the number of family members in the household by submitting to it a statement signed by the applicant and one of the applicant's parents if the applicant is a dependent student, or the applicant if the applicant is an independent student, listing the name and age of each family member in the household and the relationship of that household member to the applicant. 34 C.F.R. § 668.57(b).

Noncompliance Summary: JSRCC failed to complete required verification for student # 9 for the 2010-2011 award year. The Student Aid Report (SAR) listed 5 in the student's household size; however, the student's 2010-2011 Independent Verification Worksheet listed 4 in the household size.

Required Action Summary: JSRCC was required to review the information provided by Student #9 for verification and recalculate the student's eligibility for federal student aid. The result of the recalculation and any change in the student's awards was to be submitted with the response to this report.

JSRCC's Response: The institution's response (Appendix C) acknowledged that the institution failed to complete required verification for student #9 for the 2011-2011 award year.

The college reviewed the documentation that the student submitted for verification. The institution recalculated the student's eligibility by completing a need analysis for the 2010-2011 award year. As a result, the student's Expected Family Contribution (EFC) changed from 3,484 to 4,679. The institution reduced the student's Pell Grant award by \$1,146 and returned the funds to the Department.

Final Determination: The Department reviewed JSRCC's response. Subsequent to the response, JSRCC took corrective action and returned Federal Pell Grant funds of \$1,146 to the Department. No further action is required.

D. Appendices

Appendix A, Student Sample contain personally identifiable information and will be emailed to JSRCC as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.

Appendix B contains the program review report, which was issued on August 23, 2012.

Appendix C is the institution's written response is dated for October 26, 2012, and it was received on November 9, 2012.

Appendix A: Student File

2010-2011 Student Sample List

1.	(b)(6); (b)(7)(C), (b)(7)(C)
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	

2011-2012 Student Sample List

16.	(b)(6); (b)(7)(C), (b)(7)(C)
17.	
18.	
19.	
20.	
21.	
22.	
23.	
24.	
25.	
26.	
27.	
28.	
29.	
30.	

2010-2011 Student Expanded Sample List

31.	(b)(6); (b)(7)(C), (b)(7)(C)
32.	
33.	

2011-2012 Student Expanded Sample List

34.	(b)(6); (b)(7)(C), (b)(7)(C)
35.	
36.	

Appendix B
Program Review Report

Prepared for

**J Sargeant Reynolds
Community College**



**START HERE
GO FURTHER**
FEDERAL STUDENT AID

**OPE ID 00375900
PRCN 201210327784**

Prepared by

**U.S. Department of Education
Federal Student Aid
School Participation Team - Philadelphia**

Program Review Report

August 23, 2012

Federal Student Aid, School Participation Division – Philadelphia
The Wanamaker Building
100 Penn Square East, Suite 511
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A. Institutional Information

J Sargeant Reynolds Community College
1651 East Parham Road
Richmond, VA 23228

Type: Public

Highest Level of Offering: Associates Degree

Accrediting Agency: Southern Association of Colleges and Schools Commission on Colleges

Current Student Enrollment: 13,360 students

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Title IV Participation:

2010-2011 Award Year

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2011-2012 Award Year

Federal Pell Grant (Pell Grant)	\$ 9,808,797.71
Federal Supplemental Educational Opportunity Grant (SEOG)	\$ 134,500.00
Federal Work-Study (FWS)	\$ 130,887.60
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Default Rate FFEL/DL:	2009 – 8.2%
	2008 – 10.3%
	2007 – 9.2 %

No Federal Perkins Loan Program is administered.

B. Scope of Review

The U.S. Department of Education (the Department) conducted an off-site program review for J Sargeant Reynolds Community College (JSRCC) from December 5, 2011 to February 1, 2012. The review was conducted by Ms. Deborah Marsh and Ms. Shein Dossa.

The focus of the review was to determine JSRCC's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of JSRCC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, student account ledgers, and institutional programs pertaining to Gainful Employment (GE).

A sample of 30 files was identified for review from the 2010-2011 and 2011-2012 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. In addition, six files were selected to include student withdrawals. Appendix A lists the names and social security numbers of the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning JSRCC's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve JSRCC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination letter.

C. Findings

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by JSRCC to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding #1: COD Reporting Untimely

Citation:

Federal funds are disbursed on the date that the institution credits those funds to a student's account in the institution's general ledger or any sub ledger of the general ledger, or pays those funds to a student and/or parent directly. The Department considers federal funds are disbursed even if an institution uses its own funds in advance of receiving program funds. 34 CFR § 668.164(a)(1).

An institution may receive either a payment from the Secretary for an award to a Federal Pell Grant recipient, or a corresponding reduction in the amount of federal funds received in advance for which it is accountable, if the institution submits to the Secretary the student's payment data and the Secretary accepts the student's payment data that is submitted by the institution in accordance with procedures established through publication in the *Federal Register* by September 30 following the end of the award year in which the grant is made. 34 C.F.R. § 690.83(a).

A school must submit disbursement records to the Common Origination and Disbursement (COD) system no later than 30 days after making a Pell, ACG, or SMART Grant disbursement (*2010-2011 Federal Student Handbook, Vol. 3, Chapter 1, 3-24*) or becoming aware of the need to adjust a previously reported disbursement (*2011-2012 Federal Student Aid Handbook, Vol. 4, Chapter 1, 4-20*). Published in the *Federal Register*, June 7, 2011, Vol. 76, No. 109, 32962.

An institution must submit the initial disbursement record for a Direct Loan to the Secretary no later than 30 days following the date of the initial disbursement. The institution must submit subsequent disbursement records, including adjustment and cancellation records, to the Secretary no later than 30 days following the date the disbursement, adjustment, or cancellation is made. 34 C.F.R. § 685.301(e).

Noncompliance:

JSRCC did not submit payment data or changes to payment data to the Secretary within the 30 day timeframe for Students # 1, 2, 4, 8, 10, 21, 23, 28, 31, and 32. The following chart provides additional details:

Student No.	Title IV Aid Awarded	Award Amount	Ledger Disbursement Date	COD Reporting Due Date	Date Record Submitted to COD	No. Days Late
1	Pell Grant	\$ 2,775	9/22/2010	10/22/2010	11/2/2010	11
2	Pell Grant	\$ 2,775	9/22/2010	10/22/2010	11/2/2010	11

Student No.	Title IV Aid Awarded	Award Amount	Ledger Disbursement Date	COD Reporting Due Date	Date Record Submitted to COD	No. Days Late
2	Pell Grant	\$ 1,388	6/13/2011	7/13/2011	11/15/2011	125
4	DL Subsidized Loan	\$ 3,484	8/15/2011	9/14/2011	1/17/2012	125
8	Pell Grant	\$ 2,775	9/22/2010	10/22/2010	11/2/2010	11
10	Pell Grant	\$ 278	9/22/2010	10/22/2010	11/2/2010	11
21	Pell Grant	\$ 938	9/19/2011	10/19/2011	11/10/2011	22
23	Pell Grant	\$ 2,082	9/19/2011	10/19/2011	11/10/2011	22
28	Pell Grant	\$ 2,063	9/19/2011	10/19/2010	11/10/2011	22
31	Pell Grant	\$ 2,775	9/22/2010	10/22/2010	11/2/2010	11
32	Pell Grant	\$ (694)	11/9/2010	12/9/2010	1/20/2011	42

JSRCC completed a return calculation for students # 33 and 36 but did not report payment data or changes to payment data to the Secretary within the 30 day timeframe of the date of determination. The following chart provides additional details:

Student No.	Title IV Aid Awarded	Ledger Award Amount	Ledger Disbursement Date	DOD on return calculation	COD Reporting Due Date	Date Record Submitted to COD	No. Days Late
33	DL Unsubsidized Loan	(\$560)	4/12/2011	3/25/2011	4/24/2011	--	--
36	DL Subsidized Loan	(\$912)	11/22/2011	10/18/2011	11/17/2011	1/25/2012	34

An institution's failure to provide accurate and timely payment data information to the Secretary in accordance with federal requirements may result in an improper increase in the institution's Current Funding Level (CFL). Inaccurate and untimely reporting could also result in the institution receiving funding to which it is not entitled and may cause an increase in expenses for the Department.

Required Action:

JSRCC must report a downward adjustment in COD for the DL Unsubsidized loan for Student #33, and the institution must provide a copy of the downward adjustment with the response to this program review report.

JSRCC must develop policies and procedures to ensure that Federal Direct Loan and Federal Pell Grant Program disbursement dates reported to COD reflect the dates the funds were disbursed to student accounts. A copy of the policies and procedures must also be submitted with the institution's official response to this program review report.

Finding #2: Entrance and Exit Counseling Deficiencies

Citation:

Federal regulations require that an institution must ensure that entrance counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan student borrower prior to making the first disbursement of the proceeds of a loan to a student borrower unless the student borrower has received a prior Direct Subsidized, Direct Unsubsidized, Federal Staff, or Federal SLS Loan. In addition, an institution must ensure that exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower and graduate or professional student Direct PLUS Loan borrower shortly before the student borrower ceases at least half-time study at the school. 34 C.F.R. § 685.304(a) and (b).

A school must maintain documentation substantiating the institution's compliance with student loan entrance and exit counseling for each student borrower. 34 C.F.R. § 682.604(f)(8) and (g)(4); 34 C.F.R. § 685.304(a)(9) and (b)(7).

Noncompliance:

JSRCC did not document that it completed entrance counseling for students # 4, 9, 11, 22, 27 and 33, and the institution did not document that it completed exit counseling for students # 4 and 8.

An institution's failure to provide loan counseling to students in accordance with federal requirements may result in increased student loan defaults and cause increased expense for the Department.

Required Action:

JSRCC must establish procedures to ensure that students receive entrance counseling prior to the first disbursement as required by regulations. Additionally, procedures must be established to ensure that exit counseling is completed before ceasing enrollment at the institution. In those instances where students withdraw without completing the electronic counseling, the institution should provide the exit counseling materials to the student via alternate means and maintain documentation to demonstrate that the counseling materials were delivered to the students. A copy of JSRCC's revised policies and procedures must be sent with the institution's response to the program review report.

Finding #3: Improper Disbursement of Direct Loan Funds Prior to Midpoint

Citation:

If a loan period is one payment period, the school must make at least two disbursements during the payment period. 34 C.F.R. § 685.301(b)(3)(ii). The institution must disburse loan proceeds in substantially equal installments, and no installment may exceed one-half of the loan. 34 C.F.R. § 668.301(b)(5).

For credit hours programs, the institution may not make the second disbursement until the calendar midpoint between the first and last schedule days of class of the loan period. 34 C.F.R. § 685.301(b)(3)(ii)(A). For clock hour programs, the institution may not make the second disbursement until the student successfully completes half of the number of credit hours or clock hours and half of the number of weeks of instructional time in the payment period. 34 C.F.R. § 685.301(b)(3)(ii)(B).

The institution is not required to make more than one disbursement if the loan period is not more than one semester, one trimester, or one quarter; and, the school has a cohort default rates calculated of less than 10 percent for each of the three most recent fiscal years for which data are available. 34 C.F.R. § 685.301(b)(6)(i).

Noncompliance:

JSRCC did not disburse Direct Loan funds at the calendar midpoint as required by regulation for Students # 9, 12, and 33.

Student #9 was awarded a Subsidized Direct Loan of \$1,500 for the Summer 2011 term that began on 5/23/2011 and ended on 8/1/2011. The calendar midpoint was 6/27/2011. The institution posted \$1,494.00 to the student's ledger on 6/13/2011. The proceeds should have been posted to the student's ledger with two disbursements of \$747 each. The second loan disbursement of \$747 should have been made on or after the calendar midpoint.

Student #12 was awarded a Direct PLUS loan of \$ 3,500 for the Spring 2011 term that began on 1/10/2011 and ended on 5/9/2011. The calendar midpoint was 3/7/2011. The institution posted one disbursement of \$3,414 to the student's ledger on 2/16/2011. The proceeds should have been posted to the student's ledger with two disbursements of \$1,707 each. The second loan disbursement of \$1,707 should have been made on or after the calendar midpoint.

Student #33 was awarded an Unsubsidized Direct Loan of \$ 2,000 for the Spring 2011 term that began on 1/10/2011 and ended on 5/9/2011. The calendar midpoint was 3/7/2011. The institution posted two disbursements of \$995 to the student's ledger on 2/10/2011. The second loan disbursement should have been made on or after the calendar midpoint.

An institution's failure to disburse funds in accordance with Title IV regulations may result in students receiving funding to which they are not otherwise entitled and cause increased expense for the Department.

Required Action:

JSRCC must review and update its policies and procedures to ensure that DL funds are disbursed at the calendar midpoint for one-term loan periods as required by federal regulations. A copy of these policies and procedures must be sent with the institution's response to the program review report.

Finding #4: Return of Title IV Calculation Error

Citation:

Federal Regulations require that when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date. 34 C.F.R. § 668.22(a)(1).

The unearned amount of Title IV assistance to be returned is calculated by subtracting the amount of Title IV assistance earned by the student as calculated under 34 C.F.R. 668.22 (e)(1) from the amount of Title IV aid that was disbursed to the student as of the date of the institution's determination that the student withdrew. 34 C.F.R. § 668.22(e)(4).

An institution must indicate Title IV aid as "*aid disbursed*" in the return calculation if it is disbursed as of the date of the institution's determination that the student withdrew. However, disbursements made to a student's account ledger after the student ceased attendance but prior to the date of the institution's determination that the student withdrew are included in the return calculation as "*aid that could have been disbursed*". 2011-2012 Federal Student Aid Handbook, Volume 5, Chapter 2, page 5-71.

Noncompliance:

JSRCC completed a return calculation worksheet incorrectly for Students # 31 and 35.

For Student # 31, the institution completed the return calculation worksheet. The student's withdrawal date was 9/9/2010, and the date of determination was 11/12/2010. JSRCC posted \$ 2,775 in Pell Grant funds to the student's ledger on 9/22/2010 after the student ceased attendance. The amount of \$ 2,775 must be included in the return

calculation as "*aid that could have been disbursed*" rather than "*aid that was disbursed*". As a result, unearned funds were calculated incorrectly on the return calculation worksheet.

For Student # 35, the student's withdrawal date was 9/27/2011, and the date of determination was 10/6/2011. JSRCC calculated an incorrect Pell Grant amount of \$2,082 instead of \$1,388. The adjustment was made to the student's ledger on 1/25/2012. No further action is required.

JSRCC's failure to accurately report and timely return unearned Title IV funds to the appropriate programs when a student withdraws may result in additional expense for both the U.S. Department of Education and the student.

Required Action:

JSRCC must complete a revised return calculation for Student # 31 to indicate any aid disbursed after the student's withdrawal date as "*aid that could have been disbursed*" on the return calculation and provide documentation that the appropriate funds were returned to the Federal Pell Grant Program.

Finding #5: Verification Violations

Citation:

Federal regulations require that an institution that participates in the Title IV programs to accurately and completely verify certain data elements for applications that have been "selected" by the Central Processing System (CPS). 34 C.F.R. §668.54(a)(1).

An institution must have an applicant selected for verification submit acceptable documentation that will verify or update the information used to determine the applicant's EFC. The documentation to be verified includes: (a) Adjusted gross income and U.S. income tax paid; (b) Number of family members in household; (c) Number of family household members enrolled in postsecondary institutions; and (d) Untaxed income and benefits. 34 C.F.R. § 668.56(a).

Specifically, an institution shall require an applicant selected for verification to verify the number of family members in the household by submitting to it a statement signed by the applicant and one of the applicant's parents if the applicant is a dependent student, or the applicant if the applicant is an independent student, listing the name and age of each family member in the household and the relationship of that household member to the applicant. 34 C.F.R. § 668.57(b).

Noncompliance:

JSRCC failed to complete required verification for student # 9 for the 2010-2011 award year. The Student Aid Report (SAR) listed 5 in the student's household size; however, the student's 2010-2011 Independent Verification Worksheet listed 4 in the household size.

Failure to complete proper verification may result in students receiving funds for which they are not eligible, thereby causing increased expense to the Department.

Required Action:

JSRCC must review information provided by Student #9 to recalculate student eligibility. The result of the recalculation and any change in the student's awards must be submitted with the response to this report.

Instructions for the repayment of any determined liability will be provided in the Final Program Review Determination letter.

Finding #6: Federal Pell Grant – Incorrect Disbursement

Citation:

Federal Pell Grant for a payment period (i.e. an academic term) for a student in a program using standard terms with at least 30 weeks of instructional time in two semesters or tri-semester or in three quarters is calculated by determining the student's enrollment status for the term. 34 C.F.R. § 690.63(b). The amount of a student's Pell Grant for an academic year is based upon the payment and disbursement schedule that is published by the Secretary for each award year. 34 C.F.R. § 690.62(a).

If the student's enrollment status changes from one academic term to another term within the same award year, the institution must recalculate the student's Federal Pell Grant award for the new payment period taking into account any changes in the COA. If a student's projected enrollment status change during a payment period before the student begins attendance in all of his or her classes for that payment period, the institution must recalculate the student's enrollment status to reflect only those classes for which the student actually began attendance in during the payment period. 34 C.F.R. § 690.80(b).

A full-time student is an enrolled student who is carrying a full-time academic workload, as determined by the institution. For an undergraduate student in a program that measures progress in credit hours and uses standard terms, an institution's minimum standard must equal or exceed 12 semester hours or 12 quarter hours per academic term.

A three-quarter-time student is an enrolled student who is carrying a three-quarter-time academic workload that amounts to at least three quarters of the work of the application minimum requirement outlined in the definition of a full-time student. A half-time student is one who carries half-time academic workload that amounts to at least half of the workload of the applicable minimum requirement outlined in the definition of a full-time student. 34 C.F.R. § 668.2(b).

Noncompliance:

JSRCC failed to recalculate a Pell Grant award based on the correct enrollment status for Student # 35.

The student received a Pell Grant award of \$ 2,082 that based on three-quarter-time enrollment in a term for the 2011-2012 award year. The student was initially enrolled for 11 credits and failed to attend one course causing the student's enrollment status to drop to half-time, 7 credits. During the program review, the institution recalculated the student's Pell Grant award from \$2,082 to \$1,388 and returned the funds to the Department.

An institution's failure to disburse Pell Grant funds in accordance with federal regulations may result in students receiving funding to which they are not otherwise entitled and cause increased expense for the Department.

Required Action:

JSRCC must review its policies and procedures to ensure that Pell Grant awards are recalculated correctly if a student's projected enrollment status changes during a payment period. This appears to be an isolated incident that was corrected. No further action is required.

D. Appendix

Appendix A (Student Sample) contain personally identifiable information and will be emailed to JSRCC as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.

Appendix A: Student File

2010-2011 Student Sample List

1.	(b)(6); (b)(7)(C),(b)(7)(C)
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	

2011-2012 Student Sample List

16.	(b)(6); (b)(7)(C),(b)(7)(C)
17.	
18.	
19.	
20.	
21.	
22.	
23.	
24.	
25.	
26.	
27.	
28.	
29.	
30.	

2010-2011 Student Expanded Sample List

31.	(b)(6); (b)(7)(C),(b)(7)(C)
32.	
33.	

2011-2012 Student Expanded Sample List

34.	(b)(6); (b)(7)(C),(b)(7)(C)
35.	
36.	

Appendix B: Protection of Personally Identifiable Information

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual that can be used to distinguish or trace an individual's identity (e.g., name, social security number, date and place of birth).

PII submitted electronically or on media (e.g., CD-ROM, floppy disk, DVD) must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip. However, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using WinZip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy files and media containing PII must be:

- sent via a shipping method that can be tracked with signature required at delivery
- double packaged in packaging approved by the shipping agent (FedEx, UPS, USPS)
- labeled with both the "To" and "From" addresses on both inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

Appendix C
JSRCC's Response to the Program Review Report

Program Review Report Response

Finding #1: COD Reporting Untimely

The College has developed procedures to ensure the timely reporting of disbursements to Common Origination and Disbursement (COD). A copy of the updated policy has been attached to this document (Appendix A). Specific procedures to ensure compliance include:

- The College will create an creates a daily origination file for both Federal Pell and Federal Direct Loan awards placed in the student information system.
- Once an award is disbursed in the student information system, the College will run a daily disbursement file to inform the Department of Education of those Federal Pell Grants and Federal Direct Loans that are scheduled to be credited in the student information system.

In addition to the above procedures, the College has approved an additional position within the Financial Aid Office for a Coordinator of Financial Aid position that will be responsible for the management of this process (Appendix A). As required by the audit, the College has adjusted the Unsubsidized Federal Direct Loan. A copy of this action is attached (Appendix A).

Finding #2: Entrance and Exit Counseling Deficiencies

The College has developed procedures to ensure that both entrance and exit interviews are administered in accordance with Title IV regulations, which include proper disbursement and timely notification related to a borrowers rights and responsibilities.

Entrance Interviews

To address entrance counseling deficiencies, the College has:

- Created an automated process that uploads entrance counseling information on a weekly basis and sets a flag within PeopleSoft to indicate the requirement has been fulfilled.
- In addition, a rule has been created in the student information system that will prevent any student from being awarded a loan without the completion of an entrance counseling session having been documented (Appendix B).

Exit Counseling

To address exit counseling deficiencies, the College has:

- Created a monthly process that will identify student borrowers who have either registered for less than half-time for the semester, have withdrawn to less than half-time status, or who have withdrawn from the College and have borrowed student loan funds(Appendix B)
- Students will be notified of need for exit counseling and directed to studentloans.gov
- Documentation of the sent notice will be documented on JSRCC server
- A copy of the revised policy is attached

In addition to the above procedures, the College has approved an additional position within the Financial Aid Office for a Coordinator of Financial Aid position that will be responsible for the management of this process (Appendix A).

Finding #3: Improper Disbursement of Direct Loan Funds Prior to Midpoint

In order to comply with Title IV requirements of disbursing loans in two payments, the College has taken the following actions:

- Updated set-up in system to reflect two disbursements, one at census and the other at the midpoint of the semester (Appendix C).
- Updated its award set-up checklist to ensure that this item is part of the annual review procedures by the Director of Financial Aid to ensure compliance (Appendix C)

Finding #4: Return of Title IV Calculation Error

The College has completed a revised calculation worksheet for Student #31, reflecting the student's new eligibility (Appendix D). The student's new eligibility is \$441.23 of Federal Pell. The College has returned \$1126.77 to G5 and a downward adjustment to the student's Pell award has been made in COD (Appendix D).

Finding #5: Verification Violations

The College has reviewed student #9, recalculating the student's eligibility (Appendix E). The student's household size changed from 5 members to 4 members, resulting in an adjustment in an increased Effective Family Contribution of 4,679 (from 3,484) and a reduction in Federal Pell by \$1146 for the academic year (Appendix E). The College will return \$1146 upon receipt of the final review letter.

Finding #6

The College has revised its disbursement policy to reflect changes in procedures and ensure compliance (Appendix F).

Kiesha L. Pope

From: Margaret A. Livingston
Sent: Friday, December 14, 2012 9:16 AM
To: Kiesha L. Pope
Cc: Shirley L. Hopkins; Natolyn L. Quash
Subject: FW: G5 confirmation - Refunds submitted

Margaret Livingston
Financial Aid Disbursement Accountant
J. Sargeant Reynolds Community College
(804) 523-5849

-----Original Message-----

From: noreply@ed.gov [<mailto:noreply@ed.gov>]
Sent: Friday, December 14, 2012 9:26 AM
To: Margaret A. Livingston
Subject: G5 confirmation - Refunds submitted

On Fri Dec 14 09:12:35 EST 2012 a refund of \$1164.00 will be applied to award P063P102390 using the bank account
(b)(6); (b)(7)(C); (b)(7)(C)
(C) This transaction is assigned the tracking number R1212140108.

2010-11 Pell Adjustment for Student #9



U.S. DEPARTMENT OF EDUCATION
COMMON ORIGINATION & DISBURSEMENT



Person School Batch Award Services User

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Award Disbursements Information

HELP

Award Information

Detail
Disbursements

Please click on the Disbursement number to view Disbursement Detail.

(b)(6); (b)(7)(C)

J SARGEANT REYNOLDS COMMUNITY
COLLEGE
PELL
'10-'11

Total Accepted for Actual Disbursements \$2,100.00
Total Accepted for Pending Disbursements (\$1,146.00)

Disbursements

No.	Accepted Amount	Date Disbursed	Date Processed	Sequence Number	
1	\$525.00	09/16/2010	09/30/2010	1	0
1	(\$247.00)	09/16/2010		66	0
2	\$788.00	02/15/2011	02/18/2011	1	0
2	(\$450.00)	02/15/2011		66	0
3	\$787.00	05/13/2011	05/12/2011	1	0
3	(\$449.00)	05/13/2011		66	0

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Direct Loan
Pell
Permissions Notes
Credit Check
Events
Recommendations
Additional Eligibility
and Award Services
Major History

(b)(6); (b)(7)(C)

Lifetime Eligibility Used: 275.0000%

Full Pell LEU History

Award Year

'10-'11

Pell Grant Summary

Attending School	Eligibility Used	POP Flag	POP Start Date	POP End Date	Award Amount Approved	Award Amount Disbursed	Scheduled Award
J SARGEANT REYNOLDS COMMUNITY COLLEGE	45.4285%				\$2,100.00	\$954.00	\$2,100.00
Total Percent Eligibility Used for '10-'11:	100.0000%				\$2,100.00	\$954.00	

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